

Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 EB-08 AID-05 CIAE-00 FRB-01 INR-07
NSAE-00 USIA-15 TRSE-00 XMB-04 OPIC-06 SP-02 LAB-04
SIL-01 OMB-01 ERDA-07 CEA-01 DODE-00 FPC-01 H-02
INT-05 L-03 NSC-05 PM-04 OES-06 SS-15 STR-04 ACDA-10
FEA-01 EA-09 /138 W

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FM AMEMBASSY TEGUCIGALPA

TO USDOC WASHDC

INFO SECSTATE WASHDC 6007

AMEMBASSY GUATEMALA

AMEMBASSY MANAGUA

AMEMBASSY PANAMA

AMEMBASSY SAN JOSE

AMEMBASSY SAN SALVADOR

UNCLAS TEGUCIGALPA 1116

E.O. 11652: N/A

TAGS: BEXP, ENRG, XK, HO

SUBJ: STATUS OF GEOTHERMAL POWER PROJECT IN HONDURAS

REF (A) MANAGUA 0857, (B) 76 GUATEMALA 7944, (C) 76 TEGUCIGALPA 5551

FOR ALAN STERLING BIC/OIM

GUATEMALA ALSO FOR ROCAP

1. THIS CABLE UPDATES AND AMPLIFIES EMBASSY'S REPORT (REFTEL C) ON GOH PLANS TO EXPLORE AND DEVELOP GEOTHERMAL ELECTRIC POWER POTENTIAL OF HONDURAS. IT WAS PREPARED IN CONNECTION WITH PROPOSAL TO HOLD GEOTHERMAL TECHNICAL SEMINAR IN CENTRAL AMERICA WITH USDOC AND US INDUSTRY PARTICIPATION PER REFTEL A. THE PURPOSE OF THE SEMINAR IS TO PROMOTE US GEOTHERMAL ENGINEERING, CONSTRUCTION AND EQUIPMENT SALES.

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2. HONDURAS IS TAKING ITS SECOND IMPORTANT STEP TOWARD UTILIZATION OF ITS GEOTHERMAL POTENTIAL FOR GENERATION OF ELECTRICITY. ITS OBJECTIVE IS TO ESTABLISH 30 TO 50 MEGAWATT OF CAPACITY BY EARLY 1980'S. THE FIRST STEP WAS A GENERAL GEOTHERMAL SURVEY CONDUCTED WITH UNDP ASSISTANCE IN MID-1970'S (EINERSON STUDY). THIS STUDY IDENTIFIED TWO MOST PROMISING SITES: PAVANA, NEAR A

POWER STATION IN AREA OF CHOLUTECA; SAN IGNACIO, 65 KILOMETERS NORTHEAST OF TEGUCIGALPA NEAR TALANGA. IN MID-1976 HONDURAS ELECTRIC POWER COMPANY (ENEE) TOOK NEXT STEP OF INVITING BIDS ON A CONTRACT FOR FURTHER INVESTIGATION OF GEOTHERMAL POTENTIALS OF ABOVE SITES AND PREPARATION OF A PRELIMINARY FEASIBILITY REPORT. THESE STUDIES WILL BE FINANACED IN PART BY A WORLD BANK LOAN (NO. 1081-HO) AND ARE EXPECTED TO COST UP TO DOLS 1 MILLION. THREE US FIRMS SUBMITTED PROPOSALS: GEONOMICS INC., ROGERS ENGINEERING, AND GEOTHERICS. JAPANESE AND ITALIAN FIRMS ALSO COMPETED. GEONOMICS WAS SUCCESSFUL BIDDER AND EXPECTS TO SIGN A CONTRACT IN MARCH 1977- FIVE MONTHS BEHIND ENEE'S TARGET DATE.

3. THE SCOPE OF WORK UNDER THIS CONTRACT, WHICH IS TO BEGIN IN APRIL 1977, INCLUDES EVALUATION OF EXISTING DATA AND PRELIMINARY INVESTIGATION OF GEOLOGICAL, GEOCHEMICAL RECONNAISSANCE OF THE TWO SITES; GEOLOGICAL STRUCTURE MAPPING AND FAULT MAPPING; GEOCHEMISTRY OF WATERS, GASES AND ROCKS; GEOPHYSICAL/RESISTIVITY MEASUREMENTS; SITE SELECTION AND SMALL-BORE DRILLING; THERMAL GRADIENT AND ISOTHERM MAPS; GEOHYDROLOGY AND WATER SOURCE INVENTORY OF SITE AREAS. PROJECT ENCOMPASSES PREPARATION OF FEASIBILITY RECOMMENDATIONS AND TRAINING ENEE PERSONNEL. WORK TO BE COMPLETED IN SIX MONTHS.

4. FOLLOWING DATA OBTAINED IN CONVERSATIONS WITH GEONOMICS VICE PRESIDENT LEWIS N. MCKINNEY AND LOUIS GOLDSMITH (GEOLOGIST WITH GEONOMICS). THIS COMPANY IS LEADER IN US GEOTHERMAL FIELD AND HAS HAD CONTRACTS IN PORTUGAL, AZORES AND EXPECTED TO SIGN ONE LATE IN 1976 IN IRAN. COMPETITION IS STRONG FROM JAPAN DUE TO ITS OFFERINGS OF PLANT EQUIPMENT WITH FAVORABLE FINANCING.
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GEONOMICS CONTRACT, VALUED AT ABOUT DOLS 6000,000, COULD RESULT IN DOLS 2 MILLION CONTRACT FOR EXPLORATORY DRILLING. INITIAL 30-50 MW POWER PLANT COST ESTIMATED AT DOLS 4 MILLION. CHOLUTECA SITE APPEARS MOST FAVORABLE, WHERE 400 DEGREE STEAM EXISTS. HOT WASTEWATER FROM TURBINES USABLE FOR PROCESSING SUGAR AT NEARBY MILL. GEONOMICS ADDRESS IS 3165 ADELINE ST., BERKELEY, CA 94703. TELEPHONE (415) 548-7420. DR. GOLDSMITH HAS BEEN IN NICARAGUA FOR SEVERAL YEARS WITH USAID, GON AND INDEPENDENTLY AND HAS ACQUIRED FAMILIARITY WITH GEOLOGY AND GEOTHERMAL WORK THERE. GEONOMICS IS INTERESTED IN PARTICIPATING IN PROPOSED USDOC TECHNICAL SEMINAR.

5. EMBASSY ECONOFF DISCUSSED GEOTHERMAL DEVELOPMENT WITH DR. RALPH MILLER, US GEOLOGICAL SERVICE, DURING LATTER'S VISIT TO CENTRAL AMERICA. HE PROVIDED FOLLOWING DATA. PANAMA ALSO CONDUCTING GEOTHERMAL STUDIES, INCLUDING MAPPING, RESISTIVITY SURVEYS. ROBERT STEWART, EX-PANCANAL GEOLOGIST, BELIEVED ENGAGED IN THIS WORK. COSTA RICA HAS CONSIDERABLE GEOTHERMAL POWER POTENTIAL AND COULD SUPPORT 400 MW CAPACITY IN 1980'S.

GUATEMALA 1980 POTENTIAL ESTIMATED AT 80-100 MW.

BARTCH

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